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ABSTRACT

This study compares the changes in funding of universities and prisons in Maryland during the 1990s. Data from the Department of Public Safety, Division of Corrections, and the Maryland Higher Education Commission were analyzed for trends in correctional and college populations. The study notes that funding for Maryland's prisons increased by 50 percent while funding for the state's universities declined by 5 percent during the same period; this trend was not dictated by demand: 52 percent of the increase in the inmate population was accounted for by nonviolent offenders, and the state crime rate dropped 6.8 percent between 1993 and 1996. Policy decisions have also resulted in a disparate racial impact, with more African Americans added to the state's prisons than to public colleges; tuition and fees have risen over 100 percent over this period. The report urges the state to enact a Community Corrections Act to counter the present bloated state prison system and the lack of local treatment and punishment options. It suggests that many current inmates can be paroled or put into alternative programs, with the saved money used to fully fund the Educational Excellence Award program, the state's scholarship program for low and moderate income students. (DB)

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March 1998

***In Brief***

# *Is Maryland's System of Higher Education Suffering Because of Prison Expenditures?*

*by Vincent Schiraldi*

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# *Is Maryland's System of Higher Education Suffering Because of Prison Expenditures?*

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## *Introduction*

During a 1996 commencement address he delivered at Princeton University, President Bill Clinton stated, "Today, more than ever before in the history of the United States, education is the fault line, the great Continental Divide between those who will prosper and those who will not in the new economy...Because of costs and other factors, not all Americans have access to higher education. Our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today."

This was a sentiment echoed by Maryland Governor Paris Glendening, himself a former University of Maryland Professor, in his 1998 State of the State Address: "A college education -- not just a high school diploma -- is what the jobs of today and the jobs of tomorrow demand. We cannot tell our high school seniors that they cannot afford to go to college. College is now the standard, it must be affordable."

Yet when he formally announced his resignation as President of the University of Maryland at College Park, William E. Kirwin said, "If you look at the total strength of the university, we still have a long way to go. The citizens of this state need to put a greater priority on public support for higher education.[1]"

In a state which ranks fifth in per capita wealth nationwide, Maryland's expenditures on higher education are not even in the top half of American states. In fact, in 1997, Maryland ranked 33rd in university funding, barely above the bottom third of all states. Maryland ranked *dead last* amongst Southern states in percentage of state tax revenues appropriated to higher education in 1997, behind states such as Mississippi, Arkansas, Oklahoma, and Alabama.[2] This disconnect between political rhetoric and funding reality is difficult to reconcile until it is juxtaposed against one of the state's fastest growing departments -- prisons. When university and prison expenditures are contrasted, it is clear that prison growth has come at the expense of Maryland's system of higher education.

The trading of classrooms for prison cells is not unique to Maryland. Over the past two years, the Justice Policy Institute has conducted a series of studies examining the tradeoff between higher education and corrections nationally, as well as in several states. Significant findings include:

- 1995 was the first year in which states collectively spent more to construct prisons than universities. In fact, there was almost a dollar-for-dollar tradeoff that year, with prison construction funds increasing by $926 million (to $2.6 billion) while university construction funding dropped by a nearly identical $954 million (to $2.5 billion).[3]

- Nationally, from 1987 to 1995, general fund expenditures for prison operations increased by 30%, while general fund expenditures for universities decreased by 18%.[4]

- From 1984 to 1994, California's prison system realized a 209% increase in funding, compared to a 15% increase in state university funding. California built 21 prisons during that time, and only one state university.[5]

- From 1992 to 1994, the Florida Department of Corrections received a $450 million increase in funding. That is more than the state's university system received in the previous ten years.[6]

- The District of Columbia literally has more inmates than DC residents enrolled in its one public university. DC's corrections system experienced a 312% increase in funding from 1977 to 1993, compared to an 82% increase in university funding during that 16 year period.[7]

The comparison between prison populations and public university systems is an important barometer in analyzing policy choices for several reasons. For one thing, unlike other elements of state budgets, higher education and corrections are essentially unaffected by federal mandates. Hence, they are often viewed by budget analysts as dominating a state's "discretionary spending."

Second, since both systems impact primarily the same demographic group -- young adults -- prison and university funding comparisons offer a glimpse into a state's present and future priorities.

## *Methodology and Purpose*

Using annual expenditure data from the Maryland Department of Legislative Services, the Justice Policy Institute sought to compare the changes in funding for universities and prisons in Maryland during the 1990s. Data from the Department of Public Safety,

Division of Corrections was analyzed to ascertain the growth in correctional populations, and to discern what percent of that growth is due to violent offender increases.

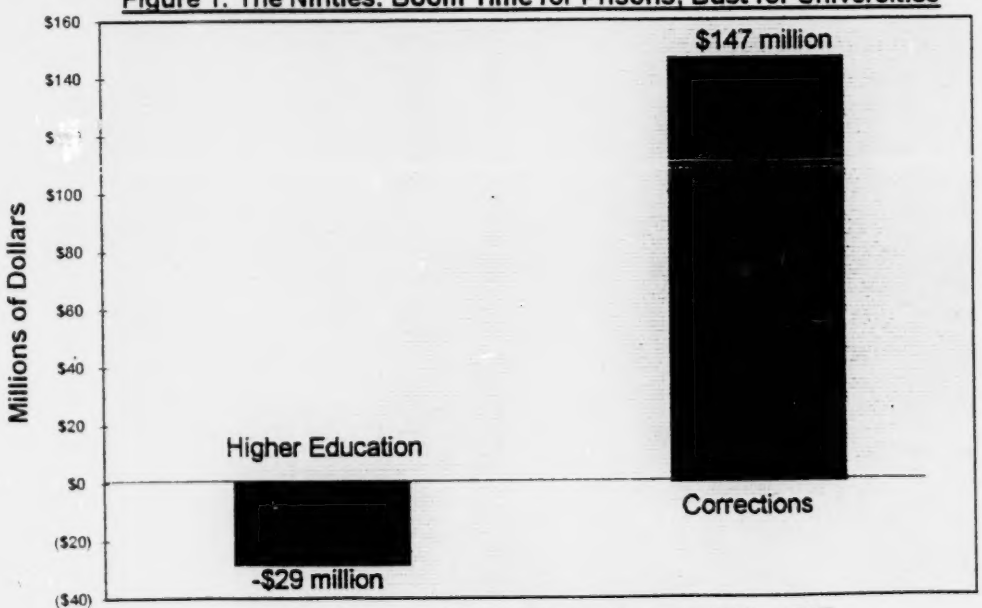
Corrections data was also analyzed to calculate changes in the racial makeup of Maryland's prisons since 1990. Data from the Maryland Higher Education Commission was used to analyze the changing racial composition of Maryland's public colleges and universities as well.

## *Boom Time for Prisons while Universities Go Begging*

As in other states, funding for prisons in Maryland is growing at a precipitous rate, while higher education funding has experienced a real decline.

From 1990 to 1997, general fund expenditures for the Department of Public Safety's Corrections Division grew from $293 million to $440 million, a $147 million increase in a seven year span. During this same period, higher education funding *dropped* by $29 million, from $609 million to $580 million.[8] (See Figure 1)

**Figure 1: The Ninties: Boom Time for Prisons; Bust for Universities**




Source: Department of Legislative Services, Maryland General Assembly



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This means that, during the 1990s, while funding for Maryland's prisons was experiencing a 50% increase, funding for the state's universities was dropping by 5%. ***If this funding shift is allowed to continue at this rate, the state would be spending more for prisons than for the entire University System of Maryland by the year 2001, even though, in the year 1990, the state was spending twice as much on its universities as its prisons.***

## Demand is Not Dictating Supply

Ironically, these trends seem to run contrary to demand, which might otherwise be expected to explain changes in utilization for the two departments. During the 1990s, there has been sharply heightened demand for higher education in Maryland, based upon high school graduates seeking entrance into public universities. Conversely, demand for prisons, at least as driven by crime rates, should have stabilized or dropped slightly in the state during the 1990s.

The Maryland Higher Education Commission has predicted that, from 1994 to 2008, there will be a 43% increase in high school graduates in Maryland, well in excess of the national average. They anticipate that, over the next eight years, there will be a 21% increase in the number of full time students attempting to enroll in Maryland's public colleges.[9]

By the year 2005, nearly one third of job openings in Maryland will require a community college degree, a bachelor's degree, or better. Additionally, 27% of job openings will require some level of training beyond a high school diploma.[10]

Despite five years of declining crime rates, Americans continue to overestimate their exposure to crime, and particularly violent crime. According to a 1994 survey in *Money Magazine*, most poll respondents felt that violent crime was at an all time high, even though it was 9% lower than in 1981 (violent crime has dropped even further since that survey). Americans least affected by crime -- elderly whites -- feared crime the most, while Americans most often victimized by crime -- black teenagers -- feared crime the least.[11]

Crime rates in Maryland have tended to mirror national trends. Violent crime began to decline in the state starting in 1993 -- a year later than the national decline -- and has dropped 6.8% between then and 1996. Likewise, overall crime has fallen, 2.6% during that time period.[12]

These crime trends are reflected in the intake to the Maryland Department of Corrections, where *non-violent offenders account for 52% of the increase in inmate population since 1990.*[13] This despite a 1992 report from the Maryland Governor's Task force on Alternative Sanctions to Incarceration which called for the expansion of community-based sanctions and programs in lieu of incarceration for appropriate offenders, and urged the enactment of a Community Corrections Act for the State of Maryland.[14] Unfortunately, the task force's recommendations remain largely ignored.

From the standpoint of effecting change in these trends, the good news for Maryland residents is that the shift in funding from their colleges to their prisons is *not* driven by irrevocable demographics or changes in crime, but rather by policies and practices enacted by their elected officials.

## *Policy Decisions Drive a Disparate Racial Impact*

The impact of these policy decisions has fallen most heavily on poor, working and middle class families, as well as on the state's African American population. Public colleges have increasingly attracted minority students since 1990 so that today, African Americans are represented in four-year institutions in proportion to their overall representation in the state. However, those students have had to pay higher tuition and fees, and are becoming increasingly dependent on loans, as opposed to grants and scholarships, to pay their way through colleges. Conversely, African American inmates account for almost the entire increase in the state's prison population. Ultimately, **more African American inmates were added to Maryland's prisons during the 1990's than full time African American students to Maryland's four-year, public colleges.**

From 1990 to 1997, the state's prison population grew from 16,549 to 21,942, a total of 5,348 inmates. African American inmates accounted for an astonishing 4,806 of this total, while white inmates accounted for only 532.[15] (See Figure 2) **This means that African American inmates accounted for nine out of every 10 new inmates imprisoned in Maryland since 1990.**

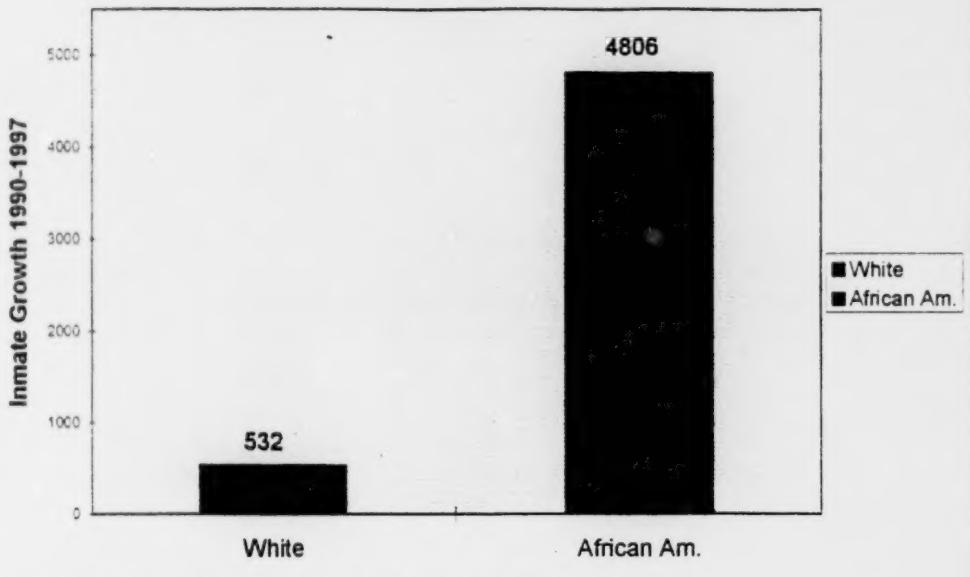
Between 1990 and 1997, the number of African American students enrolled full time at Maryland's public, four year institutions increased by 4,256, from 12,765 to 17,021. **Maryland was increasing the use of prisons for African Americans during the 1990's faster than it was increasing the use of full time, four-year public universities.**[16]

Currently, African Americans make up one out of four (25%) of both Maryland's overall population and its public college students.[17] But 77.8% -- more than three out of four -- of Maryland's state prisoners are African American.[18]

Forty-three percent of Maryland's public high school students are minorities, a population, which is overrepresented in the roles of the poor.[19] Yet Maryland's higher education system has experienced a tension between costs and financial assistance over the past decade. As student need for financial aid has risen, so have fees and the portion of the university budget that is dependent on tuition.

From 1988 to 1996, the percent of undergraduates receiving financial aid increased from 35% to 53%. Unfortunately, due to a shift in federal policy, that aid has increasingly come in the form of loans rather than scholarships. Fully 74% of federal financial aid now comes in the form of loans, saddling tomorrow's low and middle-income students with heavy debt repayments upon graduation.[20]

**Figure 2: Nine in Ten New Maryland Inmates are Black**




Source: Maryland Department of Public Safety and Correctional Services

At the same time that students are increasingly in need of aid, tuition -- and the portion of the higher education system's budget that is dependent upon tuition -- has increased. Thirty-nine percent of the Maryland University System's budget is attributable to tuition now, compared to 32% in 1988. Likewise, 36% of community-college budgets are dependent on tuition, compared to 28% in 1988.[21]

As a result, from 1988 to 1998, **tuition and fees for undergraduates have risen over 100%**. By comparison, median family income rose 50% during that period, and the consumer price index increased by 40%.[22]

## *What Can Be Done?*

In his fiscal 1999 budget, Governor Paris Glendening has proposed $64.5 million in new spending for higher education as part of a $635 million increase proposed for the next four years.[23] If approved by the Maryland Legislature, this will provide much needed relief for a university system which in increasingly struggling to serve the needs of Maryland's citizens.

But even in this boom year for the state and country, the Governor has proposed an increase for higher education that is just 10% of his four year goal, reflecting how difficult it will be to achieve that goal without reigning in spending in other areas.



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The largest and fastest growing competitor for discretionary funds continues to be prisons. If the state is to realistically attempt to meet the Governor's goals, a plan to reduce prison spending must be implemented.

In its 1992 Final Report, the Governor's Task Force on Alternative Sanctions to Incarceration described "Community Corrections Act Legislation" as:

> A statewide mechanism through which funds are granted to local units of government to plan, develop, and deliver correctional sanctions and services at the local level. The overall purpose of this mechanism is to provide a local sentencing option in lieu of imprisonment in state institutions.

The commission was careful to add "the state would still maintain responsibility for housing serious offenders in state institutions while it allocates funds to communities to assist in the supervision of certain non-violent offenders at the local level."

Maryland needs a Community Corrections Act similar to those implemented in 28 other states. Right now, if a judge in Baltimore or Rockville sends a non-violent offender to state prison, it is free for that judge's county. But if a judge wants to place that offender in a drug treatment program, the county generally picks up the whole tab, not just for the treatment program, but for the offender's probation supervision, as well.

That sets up a skewed incentive system that results in exactly what Maryland now has -- a bloated prison system and a starving system of local treatment and punishment options. A Community Corrections Act would help redress that skewed system by providing funding to local units of government to encourage them to keep appropriate offenders in local treatment and supervision programs.

In 1993, then-Public Safety Secretary Bishop L. Robinson opined that 32% of his inmate population could be immediately paroled or put into alternative programs.[24] In a national survey of prison wardens conducted by Senator Paul Simon's Subcommittee on the Constitution, the majority of wardens felt that, on average, *half* of the inmates under their supervision could be released without endangering public safety.[25]

In 1997, based on a $20,000 annual cost per inmate, Maryland spent $221 million locking up over 11,000 non-violent offenders in its prison system. If the state developed a plan to reduce that population by 5% per year, and carefully evaluate the annual impact of that plan, it would realize $11 million in gross annual savings. If the state were to reduce its non-violent offender population by *half* it would realize a gross savings of approximately $110 million, not including prison construction cost savings. Parenthetically, a 50% reduction in the non-violent offender population would amount to a 25% overall reduction in the state's prison population, conservative by former-Secretary Robinson's estimate.

Obviously, funds would have to be spent on supervision and treatment programs in order to safely and effectively reduce the state's non-violent prisoner population. But even if the state allocated the relatively generous amount of $50 million toward that end, it would still net over $60 million in savings.

Thirty million dollars would be sufficient to fully fund the Educational Excellence Award (EEA) -- the state's scholarship program for low and moderate income students. It would take $19 million for Maryland to be ranked 25th, instead of 33rd, in university funding amongst American states.[26]

In its 1998 report, the Maryland Higher Education Commission quotes Miller Williams from "Of History and Hope":

> *We know what we have done and what we have said,*
> *and how we have grown, degree by slow degree,*
> *believing ourselves toward all we have tried to become --*
> *just and compassionate, equal, able, free.*
>
> *All this is in the hands of children, eyes already set*
> *on a land we never can visit -- it isn't there yet --*
> *but looking through their eyes, we can see*
> *what our long gift to them may come to be.*

Maryland's struggle to become a place of justice and compassion, equality and freedom, cannot be fully pursued in an environment which prioritizes incarceration at the cost of educating its best and brightest. We hope that the findings and recommendations in this *In Brief* are a step toward making Maryland the land that Williams envisions.

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